

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 EA-06 TRSE-00 L-02 CIAE-00

INR-07 NSAE-00 /035 W
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R 161131Z MAY 75
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 9460

C O N F I D E N T I A L PARIS 12451

E.O. 11652: GDS
TAGS: PINT, VS, PFOR, EFIN, FR
SUBJECT: VIETNAMESE ASSETS -- FORMER GVN DELEGATION TO
PARIS PEACE TALKS

REF: (A) USDEL/JEC 10988; (B) USDEL/JEC 11202;
(C) USDEL/JEC 11506; (D) BRUSSELS 4065; (E) STATE 110669

1. EMBASSY AND USDEL/JEC WERE CONTACTED MAY 14 BY
MEMBERS FORMER GVN DELEGATION TO PARIS PEACE TALKS,
REQUESTING ASSISTANCE IN OBTAINING SIX-MONTHS SEVERANCE
PAY FROM ACCOUNT IN FIRST NATIONAL CITY BANK. ACCOUNT
WAS ORIGINALLY OPENED IN NAME OF NGUYEN LUU VIEN, HEAD
OF DELEGATION, WHO DELEGATED AUTHORITY OVER ACCOUNT
JOINTLY TO NGUYEN XUAN PHONG AND DELEGATION'S ADMIN
OFFICER WHEN VIEN RETURNED TO SAIGON. ON ADVICE OF ITS
LOCAL LAWYERS, FNCB BRANCH HERE CONSIDERS THE ACCOUNT
AS VIEN'S PERSONAL ACCOUNT AND HAS THUS TREATED IT AS
UNBLOCKED PURSUANT TO GENERAL LICENSE. ACCOUNT HAS
FUNCTIONED, HOWEVER, AS ACCOUNT OF DELEGATION. EX-
DELEGATION MEMBERS ASSERT PROBLEM ARISES FROM PHONG'S
DEPARTURE FROM PARIS. THEY EXPECT SEVERANCE PAY CHECKS
WITH ONLY SIGNATURE OF ADMIN OFFICER WOULD NOT BE
HONORED AND REQUESTED EMBASSY AND USDEL/JEC FIND WAY
TO SOLVE THIS PROBLEM.

2. CONTACT WITH FNCB BRANCH LATER ON MAY 14 PROVIDED
ADDITIONAL DETAILS. BANK STATED THAT ON APRIL 15 PHONG
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AND ADMINISTRATIVE OFFICER ATTEMPTED FIRST TO TRANSFER

ACCOUNT TO "DELEGATION" ACCOUNT, SUBJECT TO THEIR OWN SIGNATURES, IN ANOTHER BANK. FNCB REFUSED THIS, ON GROUNDS THIS EXCEEDED NORMAL AUTHORITY DELEGATED THEM BY VIEN. WHILE BANK HAS HONORED CHECKS, PRE-SIGNED BY PHONG BEFORE HIS DEPARTURE, TO COVER MAY SALARIES AND BILLS TO POST OFFICE, AIR FRANCE AND OTHER "OFFICIAL" SERVICES, IT WOULD OF COURSE NOT HONOR CHECKS BEARING ONLY ONE SIGNATURE IN ABSENCE OF NEW AUTHORIZATION FROM VIEN. THEY HAVE ALREADY REFUSED ONE SUCH CHECK. FURTHER, FNCB OFFICIAL VOLUNTEERED TO EMBOFF THAT IT WOULD CONSIDER SUCH SEVERANCE PAYMENTS "UNJUSTIFIED," AS IT HAS BEEN INFORMED BY PRG THAT ALL SOUTH-VIETNAMESE DIPLOMATIC OFFICIALS HAVE BEEN REQUESTED BY NEW GOVERNMENT TO REMAIN AT THEIR POSTS. HOWEVER, IT WOULD PRESUMABLY HONOR ANY CHECKS SIGNED BY VIEN, THE PRINCIPAL OWNER OF THE ACCOUNT.

3. FNCB MAINTAINS THAT SINCE THIS IS A PRIVATE ACCOUNT, THEY DO NOT BELIEVE THEY WILL BE INSTRUCTED TO TURN IT OVER TO THE PRG, AS THEY EXPECT QUAI WILL SOON DO FOR SOUTH-VIETNAMESE OFFICIAL ACCOUNTS (HENCE PLACING FNCB IN DILEMMA RELATIVE TO TREASURY REGULATIONS). INDEED, FNCB BELIEVES PRG NOT AWARE OF EXISTENCE OF ACCOUNT. AT SAME TIME, IN CONTINUED ABSENCE OF VIEN AND PHONG, ACCOUNT WILL REMAIN INACTIVE. SINCE WHEREABOUTS OF BOTH VIEN AND PHONG ARE UNKNOWN (REFS D AND E) AND THEY MAY STILL BE IN VIETNAM, QUESTION OF STATUS OF ACCOUNT RELATIVE TO U.S. TREASURY REGULATIONS ALSO ARISES.

4. THE BANK'S BELIEF THAT IT WILL NOT BE ASKED TO TURN ACCOUNT OVER TO THE PRG IS OPEN TO QUESTION, ESPECIALLY AS WE UNDERSTAND QUAI RECENTLY ASKED DELEGATION WHAT IT PLANS TO DO WITH OFFICE FURNISHINGS, CARS, ETC. DELEGATION NOW EXPECTS TO TURN ALL SUCH ITEMS OVER TO QUAI, ALONG WITH RENTAL CONTRACT ON OFFICE SPACE.

5. EMBASSY AND USDEL/JEC PROMISED EX-DELEGATION MEMBERS ONLY THAT WE WOULD INFORM DEPARTMENT OF CONFIDENTIAL

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SITUATION. IF AND WHEN WHEREABOUTS OF PHONG OR VIEN ARE KNOWN, WE WOULD APPRECIATE BEING INFORMED.
RUSH

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BLOCKED ASSETS, PERSONNEL COMPENSATION, DIPLOMATIC PERSONNEL
Control Number: n/a
Copy: SINGLE
Draft Date: 16 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PARIS12451
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750173-0242
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750545/aaaabofa.tel
Line Count: 110
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 USDEL/JEC 10988, 75 USDEL/JEC 11202
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 18 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 APR 2003 by BoyleJA>; APPROVED <03 OCT 2003 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: VIETNAMESE ASSETS -- FORMER GVN DELEGATION TO PARIS PEACE TALKS
TAGS: PINT, PFOR, EFIN, SREF, PDIP, VS, FR, (NGUYEN XUAN PHONG)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006